

## OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS \*

COUNTY OF TARRANT \*

This Agreement is made and entered into as of the date herein specified by and between Alice M. Holland, James E. Henderson, Barbara Ann Owens, Sheilah Y. Banks, Conrad Henderson, J.C. Henderson, III and Dominic Henderson (hereinafter referred to as "Lessor"), and Range Texas Production, LLC., 100 Throckmorton Street, Suite 1200, Fort Worth, Texas 76102 (hereinafter referred to as "Lessee"):

### W I T N E S S E T H

#### 1. GRANTING CLAUSE

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, of the royalties herein provided and of the covenants of Lessee herein contained, hereby Grants, Leases and Lets exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, and producing, oil, gas and all other liquid or gaseous minerals including sulfur produced as a component of oil and gas through the bore hole of an oil and gas well (the "Minerals") and laying the lines and erecting the tanks necessary to produce, save and transport products produced therefrom, the land (the "Leased Premises") in Tarrant County, Texas, described in Exhibit "A" attached hereto.

All mineral rights other than to the Minerals are expressly reserved to Lessor. These reserved mineral rights include the rights to lignite, coal and sulfur not produced as a component of oil and gas.

A bonus of \$15,000 per net mineral acre will be paid to Lessor for the lands described in Exhibit "A" within three (3) business days after approval of this lease by the Lessor.

#### 2. PRIMARY TERM AND DRILLING COMMITMENT

Subject to the other provisions herein contained, this Lease shall be for a term ending fifteen (15) months from April 1, 2008 and so long thereafter as Minerals are produced from the Leased Premises, or lands pooled therewith, in paying quantities, or drilling operations are in progress thereon as hereinafter provided. Lessee agrees to obtain all governmental approvals and permits required in order to allow the production of the Minerals. Lessor agrees to cooperate with Lessee and participate to the extent necessary to assist Lessee, but at Lessee's sole cost and expense, in obtaining all governmental approval and permits necessary to allow the production of the Minerals.

Any and all operations to explore, develop or recover the Minerals upon the Leased Premises

shall be conducted within the boundaries of operation sites on the Leased Premises of approximately four (4) acres each (the "Operations Sites") located within the area shown on Exhibit "B", which is a map of the property depicting the approximate location of the Operations Sites.

### 3. DELAY RENTALS

Notwithstanding any other provisions which may be contained herein, no delay rentals are due under this Lease.

### 4. POOLING

Lessee shall not pool any portion of the Leased Premises without first obtaining Lessor's written consent (which consent shall not be unreasonably withheld), unless the pooled unit (a) contains all of the Leased Premises and (b) does not exceed one hundred sixty (160) acres. Lessee shall have the right and authority to pool the Leased Premises as to oil and gas, or either of them, with other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said Leased Premises in compliance with the spacing rules of the Railroad Commission of Texas, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said Leased Premises. Units pooled for oil or gas shall not exceed the size authorized by regulatory field rules or statewide rules to obtain the maximum production allowable; provided that in the case of a horizontal well drilled to the Barnett Shale formation, the pooled unit may contain 40 acres plus the additional acreage allowed by the Tables of the Railroad Commission of Texas Statewide Rule 86 for "Fields with a Density Rule of Less Than 40 Acres." Lessee shall file for record in the Real Property Records where the land is located, an instrument describing and designating the pooled acreage and depths for the pooled unit, and upon such recordation, the unit shall become effective as to all parties hereto. Lessee may at its election exercise its pooling option before or after commencing operations. In the event of operations for drilling on or production of oil or gas from any part of the pooled unit which includes the Leased Premises, the operations or production shall be considered as operations on or production of oil or gas from the Leased Premises, whether or not the well is located on the Leased Premises. For the purposes of computing the royalties to which owners of royalties payments out of production shall be entitled on production of oil or gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this Lease and included in the unit that prorated portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this Lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit.

### 5. REWORKING AND CONTINUOUS DRILLING OF WELLS

In the event production of oil or gas from the Leased Premises, once obtained, shall cease for any cause after the expiration of the primary term of this Lease, this Lease shall not terminate (i) if Lessee commences reworking operations within ninety (90) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in a workmanlike manner without an interruption totaling more than ninety (90) days; and if such

reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or shut-in payments are tendered to Lessor as provided herein or (ii) if production in paying quantities is restored within ninety (90) days after such cessation.

If there is no production in paying quantities at the end of the primary term, this Lease and the Leased Premises shall revert to Lessor free and clear of the terms of this Lease, with the exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the Leased Premises, then the entire Lease shall remain in full force and effect so long as continuous drilling operations are being conducted on such property, and such continuous drilling operations shall be construed to mean that no more than one hundred twenty (120) days shall elapse between the completion of drilling or abandonment as a dry hole or as a producing oil and/or gas well and the commencement of the drilling of a subsequent well on the Leased Premises.

"Completion of drilling" as used herein means, as to dry holes, the date Lessee releases the drilling rig used to drill such well or the date such rig is moved off of the location, whichever date occurs first, and as to producing wells, the date Lessee has run casing and production casing or tubing and has perforated and/or tested the well; except that for producing wells which are "fraced" by Lessee, "completion of drilling" shall mean the earlier to occur of (i) ninety (90) days from the date Lessee releases the drilling rig used to drill such well or the date such rig is moved off of the location, whichever date occurs first, or (ii) the date Lessee completes such "fracing" operations and conducts a flow test on the well. "Commencement of drilling" as used herein means the date Lessee commences actual drilling with rotary drilling tools of a suitable size necessary to reach the object depth.

## 6. RETAINED ACREAGE

### A. Vertical Wells

At the expiration of the primary term of this Lease or upon the termination of the continuous drilling program set forth in Paragraph 5, each producing well drilled hereon will hold only the acreage allocated to said well as a proration unit or pooled unit by the proper governmental authority having jurisdiction. All other acreage except that included in a proration unit or pooled unit will be released ("Partial Termination"). Forty (40) acres will be deemed to be the proration unit for each oil well and 40 acres will be deemed to be a proration unit for each gas well producing from the Barnett Shale formation (and from other formations unless the field rules therefor provide otherwise). To the extent possible each such proration unit will be in the shape of a square, with the well in the center. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to all sands and horizons at all depths from the surface down to a depth which is the stratigraphic equivalent of a depth of one hundred fifty feet (150') below the deepest formation penetrated on such proration unit or pooled unit at the expiration of the primary term of this Lease or upon the termination of the continuous drilling program set forth in Paragraph 5, and that this Lease will terminate at such time as to all

depths below such depths as to each respective proration unit or pooled unit. If production should thereafter cease as to acreage included in a proration unit or pooled unit, this Lease will terminate as to such acreage unless Lessee commences reworking or additional drilling operations on such acreage within ninety (90) days thereafter and continues such reworking or additional drilling operations until commercial production is restored thereon, provided that if more than ninety (90) days pass between the abandonment of such well and the commencement of actual drilling operations for an additional well, or more than ninety (90) days pass since the commencement of reworking operations without the restoration of commercial production, the Lease shall terminate as to the applicable proration unit.

#### B. Horizontal Wells

It is expressly understood and agreed that, subject to the other terms, provisions and limitations contained in this Lease, Lessee shall have the right to drill "horizontal wells" on the Leased Premises, or lands pooled therewith. The term "horizontal well" or "horizontally drilled well" shall mean any well that is drilled with one or more horizontal drainholes having a horizontal drainhole displacement of at least five hundred eighty-five (585) feet. For the purposes of further defining the term "horizontal wells" and "horizontally drilled" reference is made to the definitions contained within Statewide Rule 86, as promulgated by the Railroad Commission of Texas, which definitions are incorporated herein for all purposes.

In the event of any Partial Termination as herein defined, then, with regard to a well which is a horizontal well or a horizontally drilled well, Lessee shall only be entitled to retain all sands and horizons at all depths from the surface down to a depth which is the stratigraphic equivalent of a depth of one hundred fifty feet (150') below the deepest formation penetrated in such well, but only in a spacing unit the area or number of acres of which are equal to the area or number of acres determined by adding twenty (20) acres for each five hundred eighty-five (585) feet horizontally drilled to the original forty (40) acres deemed to be a proration unit for each vertical well. Each such tract around each horizontally drilled well shall be as nearly in the shape of a square or a rectangle as is practical with the boundaries of the tract including the entire horizontal drainhole and the lateral boundaries of such tract being approximately equal distance from such drainhole and parallel thereto.

If production should thereafter cease as to acreage included in a proration unit or pooled unit, this Lease will terminate as to such acreage unless Lessee commences reworking or additional drilling operations on such acreage within ninety (90) days thereafter and continues such reworking or additional drilling operations until commercial production is restored thereon, provided that if more than ninety (90) days pass between the abandonment of such well and the commencement of actual drilling operations for an additional well, or more than ninety (90) days pass since the commencement of reworking operations without the restoration of commercial production, the Lease shall terminate as to the applicable proration unit.

#### C. Release of Lease

At any time or times that this Lease terminates as to all or any portion of the acreage of the Leased Premises, Lessee shall promptly execute and record in the office of the County Clerk in the County where the Leased Premises are located, a proper release of such terminated acreage and shall furnish executed counterparts of each such release to Lessor at the address shown in Paragraph 18 hereof.

#### 7. OFFSET OBLIGATIONS

In the event a well or wells producing oil or gas should be brought in on land within 330 feet from any boundary of the Leased Premises for wells producing oil ("Oil Boundary"), or within 330 feet from any boundary of the Leased Premises for wells producing gas ("Gas Boundary"), then to the extent allowed by any governmental body (state or municipal) having jurisdiction, Lessee agrees within sixty (60) days from commencement of production from such well or wells to commence the actual drilling of an offset well or wells on the Leased Premises within the boundaries of an Operations Site, if any, located with 330 feet of an Oil Boundary or 330 feet if a Gas Boundary ("Offsetting Operations Site"); provided that the well or wells which is/are to be offset are producing in paying quantities and is/are making no less than fifty percent (50%) of the allowable permitted under rules and regulations of the Texas Railroad Commission; or Lessee shall release to Lessor free of this Lease the offsetting tract of at least forty (40) acres. Provided, however, if the Offsetting Operations Site located the shortest distance from the offset well is already committed to a well operated by Lessee that is producing from the same geological formation as such offset well, or if there is no Offsetting Operations Site or if there is already a producing well on the Leased Premises or lands pooled therewith, there shall be no obligation upon Lessee to drill an offset well.

The foregoing offset obligation shall not become effective until the later of (1) the expiration of the primary term of the Lease or (2) the termination of the continuous drilling program set forth in Paragraph 5.

#### 8. FORCE MAJEURE

A. The term "force majeure" as used herein shall mean and include: requisition, order, regulation, or control by governmental authority or commission; exercise of rights or priority or control by governmental authority for national defense or war purpose resulting in delay in obtaining or inability to obtain either material, equipment or means of transportation normally necessary in prospecting or drilling for oil, gas or other mineral granted herein, or in producing, handling or transporting same from the Leased Premises; war, scarcity of or delay in obtaining materials or equipment; lack of labor or means of transportation of labor or materials; acts of God; insurrection; flood; or strike. Failure or inability of Lessee to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production is not "force majeure."

B. Notwithstanding any other provisions of this Lease, but subject to the conditions hereinafter set forth in this Paragraph 8, should Lessee be prevented by "force majeure" as defined above, from conducting drilling or reworking operations on, or producing oil, gas or other mineral from, the Leased Premises, such failure shall not constitute a ground for the termination of this

Lease or subject said Lessee to damages therefor; and the period of time during which Lessee is so prevented shall not be counted against Lessee, but this Lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting such drilling or reworking operations on, or producing oil, gas or other mineral from, such Leased Premises. All of the provisions of this paragraph are subject to each of the following express conditions:

The terms and conditions of this paragraph shall not extend beyond the expiration date of any law, order, rule or regulation invoked under this paragraph, and shall be applicable and effective only during the following periods:

(1) If the force majeure shall occur during the primary term of this Lease, it shall not operate to extend this Lease more than two (2) consecutive years beyond the expiration of the primary term.

(2) If the force majeure shall occur during a ninety (90) day drilling or reworking period provided for in Paragraphs 5 and 6 hereof, after the primary term has expired, then it shall not operate to extend the Lease more than two (2) successive years beyond the expiration of such ninety (90) day period.

C. None of the provisions of this paragraph shall ever be or become effective and applicable unless Lessee shall, within a reasonable time (not to exceed sixty (60) days in any event) after occurrence of the claimed event of force majeure above referred to, notify the Lessor, in writing, of such occurrence with full particulars thereof.

D. The terms of this Paragraph do not apply to monetary payments due under the terms of this Lease.

#### 9. SHUT-IN GAS WELL PROVISIONS

If at any time after the earlier of (1) the expiration of the primary term of this Lease or (2) the termination of the continuous drilling program set forth in Paragraph 5 there is a well on the Leased Premises or land pooled therewith which is capable of producing gas in paying quantities, but the production thereof is shut-in or suspended for any reason, and if this Lease is not then continued in force by some other provision hereof, then this Lease shall nevertheless continue in force as to such well and the pooled unit or proration unit allocated to it for a period of sixty (60) days from the date such well is shut-in. Before the expiration of any such sixty (60) day period, Lessee or any Assignee hereunder may pay to the Lessor an advance annual royalty equal to Five Thousand Dollars (\$5,000.00) per shut-in gas well and if such payment or tender is timely made, this Lease shall continue in force but only as to said well or wells and the proration unit or the pooled unit allocated to it or them and it shall be considered that gas is being produced from said well or wells in paying quantities for one (1) year from the date such well or wells are shut-in, and in like manner one, and only one, subsequent advance annual royalty payment may be made or tendered and it will be considered that gas is being produced from said well or wells in paying quantities for such additional one (1) year period as well, provided, however, in no event shall shut-

in royalty payments maintain this Lease in force for a cumulative period of two (2) years past the primary term of this Lease without Lessor's written consent. Shut-in royalties paid hereunder shall not be deducted from subsequent royalties based upon the sale of gas from such well or wells.

Should such shut-in royalty payments not be made in a timely manner as provided in this Paragraph 9, it will be considered for all purposes that there is no production and no excuse for delayed production of gas from any such well or wells, and unless there is then in effect other preservation provisions of this Lease, Lessor may, at Lessor's option, elect to terminate this Lease by sending written notice to Lessee. Lessee shall then have thirty (30) days from the date of service of such written notice in which to avoid termination of this Lease by making or causing to be made the proper shut-in royalty payment or payments that should have been paid. If such shut-in royalty payment is not made on or before the expiration of the 30-day period, or written approval is not obtained from Lessor to defer such payment, Lessor may elect to terminate this Lease by filing a Notice of Termination with the County Clerk in the county where the Leased Premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the said County Clerk. Thereafter, any such shut-in well or wells shall belong to Lessor except the surface equipment which Lessee shall be permitted to remove as soon as practicable after the effective date of said termination.

The obligation of Lessee to pay shut-in royalties is a condition and not a covenant.

#### 10. ROYALTIES

Lessee shall pay to Lessor the following royalties, which shall be free of all costs of any kind, including, but not limited to, costs of gathering, production, transportation, treating, compression, dehydration, processing, marketing, trucking or other expense, directly or indirectly incurred by Lessee, whether as a direct charge or a reduced price or otherwise, except as hereinafter provided. Said royalties shall never bear, either directly or indirectly, under any circumstances, the costs or expenses (including depreciation) incurred by Lessee to construct, repair, renovate or operate any pipeline, plant, or other facilities or equipment used in connection with the treating, separation, extraction, gathering, processing, refining, transporting, manufacturing or marketing of hydrocarbons produced from the Leased Premises or lands pooled therewith. Lessor's royalties shall bear Lessor's proportionate part of all ad valorem, excise, state severance, wind-fall profits, or like and similar taxes imposed on hydrocarbons or on the value thereof that is attributable to Lessor's royalties, if any, in addition to third party (which is not a subsidiary or affiliate of Lessee) costs for transportation, treating and compression paid by Lessee, which proportionate part may be deducted from Lessor's royalties before payment to Lessor.

A. On oil, gas (including flared gas) and casinghead gas, together with any other liquid or gaseous hydrocarbons recovered by lease operations such as drips or separators, twenty-five percent (25%) of the proceeds of the sale or of the market value thereof, whichever is higher. Such oil, gas and casinghead gas, together with any other liquid or gaseous hydrocarbons recovered by lease operations, is to be delivered free of cost at the well to the credit of the Lessor into pipelines,

gathering lines or other facilities to which the wells and tanks on the property may be connected; or to be delivered in kind at the well into tanks, gathering lines or other facilities provided by Lessor at Lessor's option and expense, such option to be exercised by Lessor from time to time, but for periods of not less than six (6) months at a time after ninety (90) days written notice to Lessee of Lessor's intention to take in kind such oil, gas or other hydrocarbons.

B. On products, twenty-five percent (25%) of the proceeds of sale thereof if the sale is not to a subsidiary or affiliate of Lessee. On sales to a subsidiary or affiliate of Lessee, twenty-five percent (25%) of the market value thereof, which may be evidenced by the amount the subsidiary or affiliate receives from the processing plant.

C. On residue gas or gas remaining after separation, extraction or processing operations, twenty-five percent (25%) of the proceeds of sale or of the market value thereof, whichever is higher.

D. For purposes of this Paragraph 10, the term "market value" shall mean for gas and products therefrom (i) the gross price at which gas or products therefrom are sold pursuant to a Gas Contract, as defined below, or (ii) if not sold pursuant to a Gas Contract, as defined below, the highest gross price reasonably obtainable for the quantity of gas or products available for sale, through good faith negotiations for gas or products produced from the Leased Premises at the place where such gas or product is available for sale on the date of such contract and such contract has adequate provisions for redetermination of price at intervals of no less frequency than one (1) year to ensure that the production is being sold for no less than the current market price. Included within the definition of "Market Value" as used herein is the presumption that Gas Contracts to be ratified by Lessor are arms-length contracts with purchasers who are not subsidiaries or affiliates of Lessee. In the event that any of the Gas Contracts involve purchasers who are subsidiaries or affiliates of Lessee, the term "market value" shall mean the average of the three (3) highest gross prices paid for oil, gas, casinghead gas or other hydrocarbons, including products, of comparable physical and legal characteristics, within Tarrant County, such calculations of price to be made as of the time such oil, gas, casinghead gas or other hydrocarbons or products, are produced and saved, or separated, processed or extracted, and without regard to any contract or regulatory process that might limit or fix the price paid to the Lessee. In no event shall "market value" ever be less than the amount actually received by the Lessee for the sale of hydrocarbons.

In no event will Lessor be charged any costs and expenses of processing, treatment, dehydration, compression, transportation, manufacture, marketing or production that are generated and charged by Lessee or any subsidiary or affiliate of Lessee, regardless of whether charged or allocated before or after the point of sale.

Anything in this lease and this Section 10. to the contrary notwithstanding, Lessor shall bear Lessor's share of all deductions, offsets, or charges for any costs and expenses of processing, treatment, dehydration, compression, transportation, manufacture, marketing or production that are charged or allocated to Lessee or any subsidiary or affiliate of Lessee under an arms length

agreement with a third party that is not a subsidiary or an affiliate of Lessee.

As used in this lease, an "affiliate" includes, but is not limited to, the parent company or a subsidiary of Lessee, a corporation or other entity having common ownership with Lessee, a partner or joint venturer of Lessee with respect to the ownership or operation of the processing plant, a corporation or other entity in which Lessee owns a ten percent (10%) or greater interest, or any individual, corporation or other entity that owns a ten percent (10%) or greater interest in Lessee.

It is the intent of the parties that the provisions of this Section 10 are to be fully effective and enforceable and are not to be construed as "surplusage" under the principles set forth in *Heritage Resources v. NationsBank*, 939 S.W.2d 118 (Tex. 1996).

E. All royalties hereinabove provided shall be payable in cash (unless Lessor elects to take such royalty oil or gas in kind) to Lessor within ninety (90) days following the first commercial sale of production and thereafter no more than sixty (60) days after the end of the month following the month during which production takes place. Subject to the provisions of Paragraph 9 of this Lease concerning shut-in wells, royalties shall be paid to Lessor by Lessee and/or its assigns or by the product purchaser for oil and/or gas. Upon the failure of Lessee to pay royalty to Lessor within the time periods herein specified, or if bankruptcy is filed by Lessee, or a Receiver is appointed for Lessee, Lessor may, at Lessor's option, elect to terminate this lease by sending written notice to Lessee. Lessee shall then have thirty (30) days from the date of service of such written notice in which to avoid termination of lease by making or causing to be made the proper royalty payment or payments that should have been paid or causing the bankruptcy or receivership proceedings to be dismissed. If such royalty payment is not made on or before the expiration of the thirty day period, or the bankruptcy or receivership is not dismissed or written approval is not obtained from Lessor to extend or waive the deadline, Lessor may elect to terminate this lease by filing a Notice of Termination with the County Clerk in the county where the Leased Premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the County Clerk.

F. Lessee agrees that it will not enter into any contract for the sale, delivery, transporting or processing of gas produced from the Leased Premises which shall extend more than five (5) years from the effective date of such sales contract unless such contract has adequate provisions for redetermination of price at intervals of no less frequency than one (1) year to ensure that production from this Lease is not being sold for less than the then current market value. In the event Lessor elects to take and separately dispose of its royalty share of gas, an appropriate gas balancing agreement shall be entered into between the parties.

G. In the event Lessee enters into a gas purchase contract which contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments to the producer for gas not taken by the purchaser) and the purchaser under such gas purchase contract makes payment to Lessee by virtue

of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to twenty-five percent (25%) of all such sums paid to Lessee or producer under the "pay" provisions of such gas purchase contract. Such royalty payments shall be due and owing to Lessor within ten (10) days after the receipt of such payments by Lessee. Any royalty payments made to Lessor under the "pay" obligation of any "take or pay" gas contract shall be applied as a credit toward Lessee's minimum royalty obligation. If the gas purchaser "makes up" such gas within the period called for in the gas contract and Lessee is required to give such purchaser a credit for gas previously paid for but not taken, then Lessor shall not be entitled to royalty on such "make up" gas. If Lessee is not producing any quantities of gas from the Leased Premises but is receiving payments under the "pay" portion of such "take or pay" gas purchase contract provision, such payments shall not relieve Lessee of the duty to make shut-in royalty payments if Lessee desires to continue this Lease, but such "take or pay" royalty payments shall be applied as a credit against any shut-in royalty obligation of the Lessee. Lessor shall be a third-party beneficiary of any gas purchase contract and/or transportation agreement entered into between Lessee and any purchaser and/or transporter of Lessor's gas, irrespective of any provision of said contracts to the contrary, and such gas purchase contract and/or transportation agreement will expressly so provide. Further, Lessor shall be entitled to twenty-five percent (25%) of the value of any benefits obtained by or granted to Lessee from any gas purchaser and/or transporter for the amendment, modification, extension, alteration, consolidation, transfer, cancellation or settlement of any gas purchase contract and/or transportation agreement.

H. Lessee agrees that before any gas produced from the Leased Premises is used or sold off the Leased Premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease and Lessor properly compensated therefor.

I. The terms of this Lease may not be amended by any division order and the signing of a division order by any mineral owner may not be made a prerequisite to payment of royalty hereunder.

J. Gas produced from the Leased Premises shall not be commingled with gas produced from any other lands not pooled therewith prior to the point where the gas produced from the Leased Premises passes through the meter which will measure the gas for calculating the payment made by the Purchaser of gas production. In addition, any gathering system constructed on the Leased Premises shall not be used for transporting gas produced from land not covered by this Lease.

## 11. INFORMATION ACCESS AND REPORTS

A. Lessor at its sole risk and expense, shall have free access at all times to all wells, tanks, and other equipment on the Leased Premises, including drilling wells, and Lessee agrees to make available, at Lessee's offices, to Lessor or Lessor's nominee, all well information, including cores, cuttings, samples, logs (including Schlumberger and other electrical logs), and results of

deviation tests and directional surveys, and the results of all drill stem tests and other tests of other kind or character that may be made of wells on the Leased Premises. Lessor or Lessor's nominee shall have free access at all reasonable times to Lessee's books and records relative to the production and sale of oil, gas or other minerals from the Leased Premises, including reports of every kind and character to governmental authorities, State or Federal. Lessee agrees to make available to Lessor or Lessor's representative at Lessee's offices run or gauge tickets for all minerals removed from the Leased Premises. If requested by Lessor, Lessee shall furnish to Lessor daily drilling reports on each well drilled.

If Lessor or Lessor's representatives use such access, Lessor and its representatives agree to keep all such information gained during such access, as well as information contained in logs and other reports furnished by Lessee, confidential except as required by law. In connection with granting access, Lessor represents that it and its representatives are adequately insured and waives, releases and agrees to indemnify Lessee, and its members, partners, directors, officers, employees, agents and representatives, against all claims for injury to, or death of, persons or for damage to property and all losses arising in any way from the access afforded to Lessor or its representatives hereunder or the activities of Lessor or lessor's representatives hereunder.

B. Lessee shall furnish to Lessor, within a reasonable time after its execution, the names and addresses of the parties to, and an outline of the pricing provisions of, any gas purchase contract or transportation agreement entered into in connection with the Leased Premises, or if there is already a gas purchase contract or transportation agreement in effect due to Lessee's operations in the field, then such an outline of that contract. Furthermore, notice of any amendments to the gas purchase contract or transportation agreement shall be furnished to said Lessor within thirty (30) days after request therefor. The foregoing technical data in A. and B. hereof and gas contract information (but not including production volumes or prices paid for gas) shall be solely for Lessor's use, and Lessor shall in good faith attempt to keep same confidential after acquiring same from Lessee.

## 12. SURVEYS, ABSTRACTS, TITLE OPINIONS AND CURATIVE WORK

A. If Lessee shall cause any of the exterior or interior lines of the property covered by this Lease to be surveyed, Lessee shall furnish Lessor a copy of such survey. Whenever Lessee files a report with the Railroad Commission of Texas or other governmental authority having jurisdiction, including, but not limited to, applications to drill, well tests, completion reports, plugging records and production reports concerning any well drilled to recover the minerals upon the Leased Premises, Lessee shall, at that time, deliver a copy of the report to Lessor.

B. In the event Lessee causes an abstract of title to be prepared covering the property herein leased, or any portion thereof, Lessor shall have a copy of said abstract to be provided. In the event Lessee shall cause the title to be examined or should obtain a title opinion or title certificate upon the property herein leased, Lessee agrees to furnish Lessor a copy or photostatic copy thereof within a reasonable time of receipt of the same by Lessee, with the understanding that neither Lessee nor the attorney or firm of attorneys rendering the opinion or certificate shall be responsible to Lessor for its correctness, the said opinion or certificate being furnished to Lessor

simply for Lessor's own convenience, information and personal use. Similarly, if any curative material is obtained by Lessee, a copy thereof shall immediately be furnished Lessor under the same conditions of non-liability on the part of the Lessee or the persons who may have obtained or prepared the same.

### 13. USE OF THE SURFACE AND SUBSURFACE

A. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the Leased Premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the premises any explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances, or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. Lessee shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by the presence or release of any Hazardous Materials in, on, under, or about the Leased Premises resulting from Lessee's operations on the Leased Premises. The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this Lease.

B. Lessor expressly reserves all rights with respect to the surface and subsurface of the Leased Premises (the ownership of which shall remain vested in Lessor) for any and all purposes except those specifically granted to Lessee. Without limiting the foregoing, Lessor expressly reserves the exclusive right to explore by any method, drill for, mine, produce, treat and store and transport any and all minerals other than those covered by this Lease, as well as the right to use the Leased Premises for the purposes of, without limitation, commercial or residential development, farming, grazing, trapping, fishing and hunting on the Leased Premises, and for the purpose of ingress and egress to and from other tracts of land owned by Lessor in the vicinity. Lessor also reserves the exclusive right to use the Leased Premises for drilling or allowing the drilling of wells from locations on the surface of the Leased Premises but which have bottomhole locations on adjacent land and may sell or assign this right to others. Any compensation, including royalties, paid for the right to use the Leased Premises for surface locations shall belong solely to Lessor. Lessor may not use Lessee's Operations Sites for this purpose without the prior written consent of Lessee. Both the rights retained by Lessor and the rights granted to Lessee shall be exercised in such manner that neither shall unduly interfere with the operations of the other upon the Leased Premises.

C. Lessee shall have the right to inject gas, fresh water or other fluids (but not salt water or waste drilling fluids) into subsurface strata only in connection with secondary recovery operations on wells actually located within the Operations Sites.

D. Lessee and all of its employees shall be liable for all damage to any and all of the property of Lessor, including, but not limited to roads, fences, livestock, growing crops, buildings

and ground surfaces, and should such damage occur, Lessee agrees to either repair the same or to pay Lessor the cost and amount of such damage within one month after the occurrence of such damage. Fences must be repaired with like material and paint. In addition:

(a) Prior to Lessee's construction of any new road or the cutting, altering or removal of any existing fence on the Leased Premises, or the cutting or removal of any tree on the Leased Premises, Lessee shall obtain Lessor's written consent thereto. Further, before commencing any of the operations herein provided, Lessee shall pay Lessor reasonable compensation for the usual and ordinary damage to the surface of the Leased Premises caused by the operations hereafter set forth in the following amounts:

Each Well on an Operations Site	\$25,000.00
Each tank battery site must be on an Operations Site; if located off of the Operations Site with Lessor's permission	\$1,500.00/each off site location
Roads (not to exceed 30 feet in width)	\$200.00/rod
Pipelines (single)	\$200.00/rod
If a pipeline parallels a road within the same 30 foot wide corridor, only \$100 per rod is required for both.	
Geophysical operations per acre of surface ownership by Lessor	\$15.00/acre
Grass damage from leaks per acre damaged (reduced proportionately if less than one acre and payable promptly after the damage has occurred); in addition, Lessee must restore the damaged surface to its pre-damaged condition	\$1,500.00/acre

(b) Water from or on or adjacent to the Leased Premises, except from a water well drilled on the Leased Premises by Lessee with Lessor's prior written consent, shall not be used for Lessee's operations without written consent of Lessor, provided, however, Lessee may drill and use water wells on an Operations Site for its operations without obtaining Lessor's consent. Under no circumstances shall Lessee use any water from or on or adjacent to the Leased Premises for injection purposes without Lessor's written consent.

(c) If Lessee drills a water well for use in its operations hereunder, then upon cessation of its use, and at Lessor's request, the water well, its casing and all equipment used in connection therewith shall become the property and responsibility of Lessor, and Lessor shall assume all

liability for the operation of such well in compliance with the laws of the State of Texas.

(d) Lessee shall erect and maintain a good and substantial fence around all pits, pumping units or other equipment sufficient to repel all livestock at all times. Lessee shall be liable for all livestock killed, crippled or other loss due to Lessee's oil and gas lease operations. Livestock killed shall be disposed of off-site at Lessee's expense.

(e) All cattle guards shall be built at least 15 inches above the ground and all cattle guards leaving the Leased Premises shall contain a gate and shall be kept locked at Lessor's or any surface tenant's request. The cattle guards shall be maintained in good operating condition for so long as Lessee continues to use them for access to the Leased Premises.

(f) All openings in fences shall be made by using "H" braces constructed of pipe of like materials and paint as used on the connecting fence on both sides of an opening and shall be secured by using a "dead man."

(g) Lessee and Lessee's employees will be responsible for seeing that all gates are locked after their entry or exit from the Operations Sites. Keys to all locks shall be furnished to Lessor and Lessor's tenant(s), if any.

(h) Areas around Lessee's wellheads, tank battery sites and cattle guards shall be kept free of noxious vegetation.

(i) All trash, debris and drilling mud from Lessee's operations shall be removed from the Leased Premises except as provided in Exhibit "C" hereto.

(j) This Lease does not cover or include any right or privilege of hunting with firearms or with dogs or otherwise on the Leased Premises, nor of fishing on the Leased Premises, all such hunting and fishing rights being expressly reserved to Lessor; and Lessee agrees that none of Lessee's officers, agents, servants, employees or representatives will bring any hunting dogs and/or firearms upon the Leased Premises or fire any weapons or firearms thereon. It is agreed that if this provision is violated, the violators shall be regarded as, and shall be, trespassers and subject to prosecution under the trespass laws of Texas.

(k) Upon completion of any well drilled upon the Leased Premises by Lessee or upon the abandonment of any such well or tank battery or other related facility, the surface of the ground appurtenant to said well, battery or facility shall be smoothed, all drilling mud removed, and all excavations and slush pits shall be forthwith filled and leveled by Lessee.

(l) When required by Lessor, Lessee will bury all pipelines and will bury same and keep same buried at all times at least three (3) feet below the original surface grade. Notwithstanding anything herein to the contrary, Lessee will give Lessor forty-five (45) days' written notice of the location of its proposed drill sites, access roads and location of pipelines and gathering lines so that

Lessor may approve same as being in conformity with the provisions of this Lease agreement, which approval shall not be unreasonably delayed or withheld.

(m) During the period in which Lessee is maintaining the entire Leased Premises through its operations hereunder, all Operations Sites as designated on Exhibit "C" shall not be greater than four (4) acres; however, should it be necessary for Lessee to construct a fresh water pit for fracturing operations, then the additional space necessary for such temporary use shall be allowed. At the conclusion of Lessee's continuous operations hereunder, the acreage retained by Lessee for each Operations Site shall be reduced to not greater than one and one-half (1.5 ) acres. The contraction of the Operations Sites from four (4) acres to one and one-half (1.5 ) acres shall take place no later than six (6) months after the last well on any Operations Site is completed. The permanent Operations Site must be enclosed with a fence that matches the size and material of the closest fence, if applicable; otherwise, the fence shall be a minimum six (6) foot chain link fence.

(n) Lessor shall have the right, at Lessor's sole risk and expense, to relocate roads and pipelines used by Lessee as long as such roads or pipelines are not located on an Operations Site.

E. Lessee agrees to conduct its operations hereunder in such a manner as to least interfere with the present and future uses of the surface for residential, commercial, industrial, agricultural, grazing, or other such purposes; and in the location of Lessee's operations and facilities on Leased Premises, Lessee shall take all reasonable precautions so as to least interfere with the present or future use of the surface of the lands by Lessor for such purposes. All presently existing roads which are used by Lessee in connection with its operations shall be maintained by Lessee during its use thereof, and at the conclusion of Lessee's operations, these said roads shall be left by Lessee in a useful condition, equal or superior to their condition at the present time. Lessee shall promptly repair all damages to said roads which are caused by Lessee's operations.

F. Any existing drainage ditches and/or canals used by the Lessee in its operations shall be used by it in such a manner as to minimize interference with the present normal method of drainage. No additional drainage facilities shall be constructed by Lessee without prior approval by Lessor.

G. When Lessee has disturbed the surface of the Operations Sites and/or the Leased Premises, Lessee shall at all times, as near as is then practicable, considering operations then under way or immediately completed, fill all holes and ditches dug by it, and otherwise promptly restore the surface of the land to its original contour and condition as near as is then practicable.

H. Any rigs and all other equipment, fixtures, appliances and facilities used by or for Lessee in the drilling of and/or production from wells or in connection with any other activities permitted under the provisions hereof shall be removed as soon as practicable after the completion or abandonment of the particular well, and the area upon which said rig, equipment, appliances and fixtures were located or were erected shall be left in as nearly as practicable the same condition as said area was in prior to the erection of said rig and equipment, and the Leased Premises shall, in

any case, be restored so as to be fully useful for residential, commercial, industrial, agricultural and grazing purposes to at least the extent that such lands and the surface thereof could have been used for such purposes without added cost to Lessor as of the date of this Lease.

I. Lessee shall have no right to construct camps or houses for employees, or any other structures except those necessary or convenient to the drilling, completion and production of wells physically located only on the Leased Premises, and in the case of such latter structures, including the necessary tank batteries for the drilling, completion and production of such wells, the same will be located in such a manner so that the utilized area around each completed well will be held to a minimum and provide the least interference with the use of the surface for residential, commercial, industrial, agricultural and grazing purposes.

J. In the event that Lessor does not own all of the surface of the land described in this Lease, the provisions of this Paragraph 13 shall apply only to that portion of the Leased Premises which is actually owned by the Lessor.

K. Notwithstanding anything hereinabove to the contrary, the use of the surface shall be controlled by the operations restrictions attached hereto as Exhibit "D" (the "Operations Restrictions") which Operations Restrictions are hereby incorporated by reference. If there is any conflict between the provisions of the Operations Restrictions and any other provision of this Lease, the Operations Restrictions shall control.

#### 14. ASSIGNABILITY BY LESSEE

It is expressly understood and agreed that, with the exception of interests acquired by entities participating in a venture governed by a Joint Operating Agreement in which Lessee herein is designated "Operator", Lessee shall not assign this lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. It is agreed that the only Operators of the Lease shall be Range Resources Corporation, unless Lessor's prior written permission for another Operator is obtained, which consent shall not be unreasonably withheld.

For any transfer or assignment of the Leased Premises, the transferee or assignee specifically agrees in writing to comply with the provisions of this lease. All transfers (including assignments, sales, subleases, overriding royalty conveyances, or production payment arrangements) must be recorded in the county where the Lease is located, and the recorded transfer or a copy certified by the County Clerk of the county where the transfer is recorded must be delivered to the Lessor within ninety (90) days of the execution date. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the Lessor by the original Lessee or any prior transferee of the lease, including any liabilities to the Lessor for unpaid royalties.

#### 15. ASSIGNABILITY BY LESSOR

The rights of Lessor hereunder may be assigned in whole or in part, and the provisions

hereof shall extend to Lessor's successors and assigns, but no change or division in the ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee and no such change in ownership shall be binding on Lessee for any purpose until thirty (30) days after Lessee has been furnished with a certified copy of the recorded instrument or instruments or other evidence satisfactory to Lessee of such change of ownership.

#### 16. NO WARRANTY

This Lease is given and granted without warranty, express or implied, in law or in equity. Lessor agrees that Lessee, at Lessee's option, may discharge in whole or in part, any tax, mortgage or other lien upon the Leased Premises and thereupon be subrogated to the holder thereof, and may apply royalties accruing hereunder toward satisfying same of reimbursing Lessee. It is also agreed that if Lessor owns an interest in the Leased Premises less than the entire fee simple estate, the royalties to be paid Lessor shall still be paid on 100% of production pursuant to Paragraph 10 proportionately reduced.

#### 17. INDEMNITY

Lessee agrees to hold Lessor harmless from all claims for damages caused to stock, crops, trapping or grazing lands, fences, buildings or other structures, and from any and all claims for injuries to (including death of) persons or damage to property in connection with the drilling of any of its wells or other operations under this Lease, and to defend at Lessee's expense any suit brought against Lessor on account of such claims, including all claims involving environmental matters, as well as any alleged violation of any state, local or federal rule or regulation, allegedly occasioned by, or allegedly arising out of, or allegedly resulting from Lessee's operations, and to pay any judgment against Lessor resulting from any such suit.

Lessee assumes full responsibility and liability between the parties hereto for any pollution caused by Lessee's operations and agrees to promptly remedy and clean up any such pollution at Lessee's sole expense and to hold Lessor harmless from all claims for damages caused by such pollution. Lessee agrees to defend at Lessee's expense any such suit brought against Lessor on account of such claims, and to pay any judgment against Lessor resulting from any such suit.

#### 18. NOTICES

A. All notices, information, letters, surveys, reports, material, and all other documents required or permitted to be sent to Lessor by Lessee shall be sent by certified United States mail, postage prepaid, return receipt requested, to the following address:

Alice M. Holland

6555 Dan Dancinger Rd. # 320  
Fort Worth, TX 76133

Barbara Ann Owens  
P.O. Box 163802  
Fort Worth, TX 76161-3802

James Edward Henderson  
1020 East Cannon Street  
Fort Worth, TX 76104

Sheilah Yvonne Banks  
P.O. Box 1291  
Bedford, TX 76095

Conrad Henderson  
1020 East Cannon Street  
Fort Worth, TX 76104

J.C. Henderson, III  
3339 Childress  
Fort Worth, TX 76119

Dominic Henderson  
3339 Childress  
Fort Worth, TX 76119

B. All notices required or permitted to be sent to Lessee by Lessor shall be sent to Lessee by certified United States mail, postage prepaid, return receipt requested, to the following address:

Range Texas Production, LLC  
100 Throckmorton Street, Suite 1200  
Fort Worth, TX 76102

C. Service of notices and other documents hereunder is complete upon deposit of the mailed material in a post office or official depository under the care and custody of the United States Postal Service, in a postpaid, properly addressed and certified wrapper.

D. Any party hereto shall have the right to change the name or address of the person or persons required to receive notices and other documents by so notifying the other party in writing.

## 19. BREACH BY LESSEE

Lessee shall conduct Lessee's operations in strict compliance with all of the terms and provisions of this Lease and with all applicable local, state and federal rules and the regulations of any regulatory body having jurisdiction of such operations including, but not limited to, all local, state and federal environmental rules and regulations. Lessee shall bear all costs and other burdens of complying with all local, state and federal rules and regulations governing Lessee's operations, including without limitation all costs and burdens associated with obtaining drilling permits and other approvals for those operations from Tarrant County and complying with the restrictions in any municipal gas drilling ordinance, if same should ever become applicable to the Leased Premises, including any requirements of fencing or building permits.

## 20. IMPLIED COVENANTS

Nothing in this Lease negates the usual implied covenants imposed upon Lessee.

## 21. TERMS HERITABLE

All of the terms and provisions of this Lease shall extend to and be binding upon the heirs, executors, administrators, successors and authorized assigns of the parties hereto.

## 22. CAPTIONS

The captions to the various paragraphs of the Lease are for convenience only, to be used primarily to more readily locate specific provisions. They shall not be considered a part of the Lease, nor shall they be used to interpret any of the lease provisions.

## 23. COUNTERPARTS

This Lease may be executed in multiple counterparts, each of which shall be deemed an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

## 24. FACSIMILE EXECUTION

The parties agree that this Agreement may be transmitted between them by facsimile machine. The parties intend that faxed signatures constitute original signatures and that a faxed agreement containing the signatures (original or faxed) of all the parties is binding on the parties.

EXECUTED as of the date of the notarial acknowledgment of the Lessor's execution hereof.

LESSOR:

Alice M. Holland  
Alice M. Holland

Barbara A. Owens  
Barbara Ann Owens

James Edward Henderson  
James Edward Henderson

Sheilah Yvonne Banks  
Sheilah Yvonne Banks

Conrad Henderson  
Conrad Henderson

J.C. Henderson III  
J.C. Henderson, III

Dominic Henderson  
Dominic Henderson

LESSEE:

Range Texas Production, LLC  
By D. Neal Harrington for  
Its Vice-President, Land

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by Alice M. Holland on the 18th day of July, 2008.

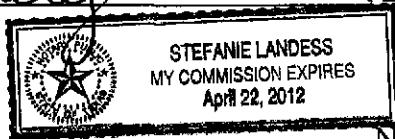


*Stefanie Landess*

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by Barbara Ann Owens on the 16th day of July, 2008.



Notary Public in and for the State of Texas

*Stefanie Landess*

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by James Edward Henderson on the 18 day of July, 2008.



Notary Public in and for the State of Texas

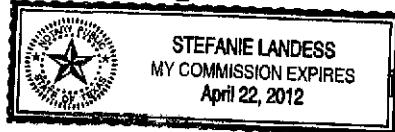
*Stefanie Landess*

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by Sheilah Yvonne Banks on the

17th day of July, 2008.



Stefanie Landess  
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by Conrad Henderson on the

18 day of July, 2008.



Stefanie Landess  
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by J.C. Henderson, III on the

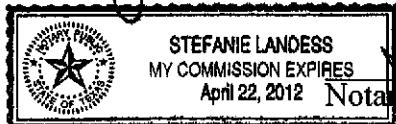
16th day of July, 2008.



Stefanie Landess  
Notary Public in and for the State of Texas

STATE OF TEXAS  
COUNTY OF TARRANT

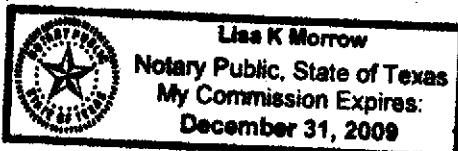
SWORN TO and SUBSCRIBED before me by Dominic Henderson on the  
16th day of July, 2008.



*Stefanie Landess*

STATE OF TEXAS  
COUNTY OF TARRANT

SWORN TO and SUBSCRIBED before me by J. Neal Harrington, Vice Pres. Land of Range  
Texas Production, LLC on the 28th day of July  
\_\_\_\_\_, 2008.



*Lisa K. Morrow*  
Notary Public in and for the State of Texas

EXHIBIT "A"  
(Legal Description of Leased Premises)

All of the interest of Lessor in the lots, tracts or parcels of land located in Tarrant County, Texas, being described as follows:

Tract 9K in the James Bridgeman Survey, Abstract 186, Mansfield, Tarrant County, Texas, containing 72.75 acres, more or less.

**EXHIBIT "B"**  
(Plat of Operations Site)

EXHIBIT "C"  
OPERATIONS RESTRICTIONS

Attached to and made a part of that certain Oil and Gas Lease dated \_\_\_\_\_, 2008, (the "Lease") between , covering the lands described in Exhibit A. This Exhibit C incorporates by reference all terms defined in the Lease.

ARTICLE I  
GENERAL SURFACE PROVISIONS

1.1 General. The provisions of this Article I shall be applicable to all operations to develop oil, gas or other minerals beneath the Leased Premises, as defined in the Lease, as required to be conducted within the Operations Sites depicted on Exhibit B to the Lease. For purposes of this Exhibit C, Lessee and any other party conducting operations shall be referred to collectively as "Operator."

1.2 Litter. Operator shall not cause, suffer, or allow any amounts of trash or litter to be placed upon the Leased Premises, except for litter placed in permanent trash containers on an Operations Site pursuant to Article 3.10 below.

1.3 Pipelines, Roads and other Facilities. Other than on Operations Sites, Operator shall not construct any pipelines (including the depth of same), pits, roads, and other aboveground and underground facilities (collectively, "Facilities") without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Operator shall locate its Facilities only on the Operations Sites and those other areas of the Leased Premises specified in writing by Lessor. Any Facilities approved by Lessor and constructed by Operator shall be constructed and maintained by Operator in accordance with industry standards for equivalent facilities. To the extent reasonably practicable, Operator shall access the Operations Sites only by using existing roads or ways present on the Leased Premises, except as provided in Section 1.12 below. Operator shall prevent all persons engaged in operations from operating vehicles and equipment on any part of the Leased Premises other than upon Operations Sites and Facilities approved by Lessor or upon existing roads or ways.

1.4 Other Activities. Operator shall cause each person entering the Leased Premises on Operator's behalf to refrain from carrying on any activities except those reasonably necessary to operations. Operator shall cause each such person to refrain from using for recreation any part of the Leased Premises. Lessor shall have the right to exclude from the Leased Premises any individual or entity who has violated this provision, or who is deemed unacceptable to Lessor for any reason, and Operator shall prevent any such individual or entity from entering or remaining upon the Leased Premises.

1.5 Damage to Roads or Ways. Any damages to roads or ways on the Leased Premises caused by Operator's activities upon the Leased Premises, including without limitation operations conducted within the Operations Sites and activities related to accessing the Operations Sites, shall be promptly repaired by Operator, so as to return such roads or ways to their prior condition insofar as reasonably practicable.

1.6 Indemnification. Operator shall indemnify, save and hold Lessor harmless from and against any damages, costs, suits, or claims for damages or injury to third persons or their property alleged to be caused by, to arise out of, or to result from any activities or operations of Operator, its employees, agents or contractors conducted pursuant to the rights granted to Operator under the Lease whether on the Leased Premises or off-site. Further, all of the provisions of Paragraph 17 of the Lease are incorporated herein by reference and shall apply to Operator as well as Lessee.

1.7. Cutting of Fences. Operator shall not cut any fence lines or remove or relocate any fence

posts located upon the Leased Premises without the prior written consent of Lessor, which shall not be unreasonably withheld, and any such actions shall be taken only in accordance with reasonable instructions of, and in coordination with, Lessor.

1.8. Water Rights. Except as otherwise provided herein or in the Lease, Operator shall have no right of use of private impoundments of fresh water from ponds, lakes, rivers or streams, or other surface waters, located upon the Leased Premises.

1.9. Caliche. Operator shall have no right under this Lease to remove or extract from the Leased Premises caliche, sand or gravel for use in connection with the activities and operations to be conducted pursuant to this Lease.

1.10. Drilling Mud and Saltwater Disposal. Operator shall not dispose of drilling mud or saltwater in, on, under or upon the Leased Premises, except water-based drilling mud, without Lessor's prior written consent.

1.11. Survey. Upon the expiration of the primary term, or, if this Lease is maintained beyond the primary term by continuous development, upon the expiration of the continuous development period, Lessee shall deliver to Lessor a survey showing the location of each Operations Site, road and pipeline then located on the Leased Premises and shall prepare and deliver to Lessor a Release in recordable form, releasing Lessee's right to use any other portion of the surface of the Leased Premises not designated as a road, Operation Site or pipeline located on the survey.

1.12. New Roads. If requested by Lessor, before any drilling equipment is moved to a Operations Site, Lessee must build a graded road to the Operations Site not less than fifteen or more twenty feet in width with tinhorns placed where necessary and surfaced with gravel or caliche.

## ARTICLE II SURFACE PROVISIONS FOR G&G OPERATIONS

2.1. Application to G&G Operations. The provisions of this Article II shall be applicable to all geological and geophysical operations ("G&G Operations") conducted by Operator upon the Leased Premises.

2.2. G&G Operations. At all times Operator shall consult with and keep Lessor informed as to the nature, timing and scope of all G&G Operations to be conducted upon the Leased Premises.

2.3. Specific Limitations on G&G Operations. In connection with proposing any G&G Operations, Operator shall comply with the following restrictions:

(a) All G&G Operations conducted upon the Leased Premises shall be conducted in a manner so as to reasonably limit and reduce their impact upon and disturbance of the use and enjoyment of the Leased Premises, including its residential developments;

(b) No shot holes shall be located within 500 feet of any building, residence or water well; and

(c) No G&G Operations may be conducted upon any portion of the Leased Premises that is wet to the extent that light vehicles would leave ruts or tracks in the soil.

(d) No explosives will be used. Seismic will be done only by "thumper" procedures. Lessee's right to conduct seismic surveys on the Leased Premises shall be limited to the primary term of this Lease, and thereafter Lessee must obtain Lessor's written consent prior to conducting any seismic survey.

(e) Lessee shall furnish Lessor with a copy of all data and information obtained from seismic surveys, including interpretations of the data and shall provide Lessor with reasonable access to Lessee's employees or contractors involved in the interpretation of the data.

2.4 G&G Restorations. Operator shall promptly plug all shot holes and coring holes drilled in connection with the G&G Operations with good and sufficient bentonite plugs, and shall restore, to the extent reasonably practicable, the surface of the Leased Premises to the same condition as existed before such G&G Operations. All such holes shall be drilled and plugged so as to avoid damage to any aquifers. In the event Operator fails to restore the Leased Premises following G&G Operations, Operator shall reimburse Lessor for the reasonable costs incurred by Lessor in performing such restoration.

### ARTICLE III SURFACE PROVISIONS FOR OPERATIONS

3.1 Application to Operations. The provisions of this Article III shall be applicable to all operations conducted by Operator upon the Leased Premises.

3.2 Pipelines and Other Lines. In addition to the consent requirement of Section 1.3 of this Exhibit B, Operator shall not install any permanent pipelines on the Leased Premises except those utilized to gather, handle and market production from a Well located upon the Leased Premises and producing from the Leased Premises. Operator shall cause all pipelines, electrical lines and telephone lines constructed either by it, or by any third party acting (a) at its request, (b) in concert with Operator, or (c) pursuant to Lease with Operator, even if said party is considered a common carrier, upon the Leased Premises that are of a Permanent Nature to be buried at least three (3) feet below the surface of the earth. Operator shall cause stakes to be placed at each point where a Transmission Route crosses beneath a road or fence and shall furnish Lessor a plat reflecting the location of all Transmission Routes located upon the Leased Premises and which are subject to this Section 3.2.

3.3 Gates. Lessor shall possess the unqualified right to deny erection of a gate or gates upon the Leased Premises, except to provide for access to an Operations Site. Any gate erected shall conform to existing gates upon the Leased Premises as to construction materials, construction methods, paint colors, and other technical specifications presently employed upon the Leased Premises.

3.4 Operations Site Appearance. Operator shall maintain each Operations Site in a neat and orderly fashion including all equipment and materials located thereon. Operator shall remove all casing, tubing, pipe, equipment and other materials within sixty (60) days of the cessation of its active use in connection with operations. In no event shall Operator place upon an Operations Site any structures or equipment, including without limitation structures of a permanent nature, which exceed twenty feet (20') in height, except for drilling, completion and workover rigs which may exceed that height if necessary.

3.5 Discharges. Operator shall not purposefully discharge any oil, condensate, saltwater, or any substance used in drilling or production onto the Leased Premises under any circumstances. Prior to commencing production from any Well on the Leased Premises, the tanks and other storage vessels shall be enclosed by an earthen berm of sufficient height to contain any discharge which might occur. In the event that there is a discharge, Operator shall restore the affected area to its original condition insofar as reasonably practicable. Operator agrees that such restoration shall include correction of any erosion damage and removal of any contaminated soil, and replacement with uncontaminated soil, regardless of whether the discharge occurred through its negligence or otherwise.

3.6 Operations Site Restoration. Within ninety (90) days, weather permitting, of the completion and equipping by Operator of a well as a producing well or the plugging and abandonment thereof, and unless Operator commences the drilling of another well within ninety (90) days of the completion and equipping by Operator of a well as a producing well or the plugging and abandonment thereof, Operator, at its sole cost and expense, shall:

- (a) remove from the Operations Site upon which such well is located all unnecessary surface

equipment, flow lines and tankage, all drilling mud, chemical mud, saltwater, surface oil and other materials;

(b) remove all materials stored in any earthen pits, together with any contaminated soil, and refill any such pits; and

(c) remove from such Operations Site all caliche, return the Operations Site to its original contour as nearly as is practicable, and reflow and replant such Operations Site; provided, however, should such Well be completed and equipped as a producing Well, then such portion of the Operations Site as is necessary for the operation and maintenance of such Well may retain its original caliche and/or be otherwise surfaced for use as a producing Well site.

3.7 Operations Site Restorations. Lessor may require Operator to restore all or any portion of the surface of an Operations Site, as nearly as practicable, after use thereof is discontinued.

3.8 Noise Attenuation. Operator shall exercise reasonable efforts to control the noise level resulting from operations upon the Leased Premises.

3.9 Permanent Structures and Equipment. Operator shall cause all tank batteries and other surface equipment located upon an Operations Site to be maintained in good repair and all such items which are of a permanent nature to be painted to blend in with the surrounding landscape and shall be repainted at least every five (5) years.

3.10 Litter. Operator shall construct and place permanent trash containers at each Operations Site. Operator shall cause each trash container constructed and placed by it upon an Operations Site to be serviced, maintained and emptied at least weekly, if necessary.

3.11 Time and Location of Operations. Operator shall conduct all drilling and completion Operations within the boundaries of the Operations Sites.

3.12 Safety Equipment. Operator shall install and utilize all safety equipment reasonably necessary in accord with industry standards, including emergency shut-off valves, on the Operations Sites.

3.13 Landscaping. All equipment shall be painted a color which blends in with the surrounding landscape and shall be repainted at least every five (5) years. The color shall be approved by Lessor. Plants, shrubs or other living screening will be installed if requested by Lessor.

3.14 Electricity. All electricity needed for Lessee's operations, including any electrical equipment used by Lessee, will be obtained at the sole cost and expense of Lessee.

3.15 Surface Pits and Restoration. All mud pits must be lined, so that none of the elements contained in said pits shall ever come into contact with the soil. Upon the digging of any pits, top soil shall remain separate from the subsoil. Upon the covering of any pits, subsoil shall be used first and then separated top soil spread evenly on top of the subsoil. Upon completion of drilling operations on each location, all of said mud, drilling fluids, chemicals, liquid waste and other liquids shall be removed from the Operations Sites by vacuum truck or other means if Lessor has so consented in writing prior to such removal. Then thirty (30) days after Lessee's need for a particular Operations Sites shall have ceased, Lessee shall fill all pits and other excavations made by Lessee on such Operations Site, level off all mounds made by Lessee on such Operations Site, remove all debris and rubbish placed by Lessee on such Operations Site, and restore the area of such Operations Site to its original condition. Lessee shall provide sanitary facilities for all of its employees, agents and/or contractors which come upon the Leased Premises and shall provide containers for scraps, trash and rubbish so that it is not scattered about the Operations Sites or Leased Premises.

In addition to the mud pits described above, it is understood that Lessee may construct pits to hold fresh water for its completion operations. The water pits may remain open during Lessee's

continuing operations, and upon completion of their use, Lessee shall fill and level the pits and restore the premises to natural condition insofar as is reasonably possible.

#### ARTICLE IV DEFINED TERMS

**4.1      Defined Terms.** For the purposes of this Exhibit C, the following defined terms shall have the meaning set forth in this Article. Capitalized terms not defined in this Exhibit C shall take the meaning assigned in the body of the Lease. Whenever the context shall require, the masculine gender shall include the feminine and neuter genders, and the singular shall include the plural.

- (a)      "G&G Operations" shall mean the conducting upon the Operations Sites of any geological and geophysical survey and study of the Leased Premises, including without limitation, any surface, subsurface and core drilling studies of the Leased Premises and any seismic, gravity, magnetic, electrical, and geochemical or halo studies or surveys of the Leased Premises.
- (b)      "Permanent Nature" shall mean any building, structure, pipeline, electrical line or telephone line constructed by Operator upon the Leased Premises and which is used by Operator at such location for a period of time exceeding one year.
- (c)      "Transmission Route" shall mean the route of any pipeline, electrical line or telephone line proposed to be established or constructed by Operator upon the Leased Premises.

#### ARTICLE V GENERAL

##### **5.1      Insurance.**

(a)      To protect Lessor against liability, loss or expense arising from damage to property or injury to any person arising out of, in connection with or resulting from the exercise of its rights and privileges under this Lease, Operator agrees during the term of the Lease to carry, at its own expense, with insurance companies reasonably acceptable to Lessor and authorized to do business in the State of Texas, the following minimum insurance coverages. It is expressly understood and agreed that all such insurance required of Lessee by this Exhibit "C" shall be primary to and non-contributory with other insurance issued directly to Lessor.

(1)      Workers' Compensation and Employers Liability Insurance with limits of \$500,000 to cover and include any liability (up to the maximum recoverable under applicable statutes) under or for the workers' compensation laws of the state of Texas, including provisions that claims *in rem* will be treated as *in personam*;

(2)      Automobile Liability covering "any auto" or "all owned autos" with a minimum combined single limit of \$1,000,000 for Bodily Injury and Leased Premises Damage and including coverage for all owned, non-owned and leased vehicles;

(3)      Commercial General Liability Insurance, including Contractual Liability, Products-Completed Operations Liability and Personal and Advertisement Liability, insuring the indemnity from Operator to Lessor set forth in this Lease, with minimum Bodily Injury, Sickness or Death limits of one million dollars (\$1,000,000) each person and one million dollars (\$1,000,000) per occurrence and Leased Premises Loss or Damage limits of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate operations, protective, and products (including completed operations);

(4)      Pollution and Clean-Up Liability Insurance with a minimum limit of one million dollars (\$1,000,000);

(5) Umbrella Liability Insurance with a minimum limit of ten million dollars (\$10,000,000) per occurrences, which covers all underlying coverages required in Paragraphs 5.1(a)(1), (2), (3) and (4); and

(6) Well Control and Extra Expense Insurance with a minimum limit of five million dollars (\$5,000,000).

(b) All insurance policies shall:

(1) Include coverage for those risks assumed under the Lease and this Exhibit C;

(2) Provide for sixty (60) days prior written notice to Lessor of the cancellation, expiration or reduction of coverage under, or a material change in, any policy;

(3) Contain waivers of subrogation (except on Workers' Compensation Insurance) and right of recovery by Operator's insurance underwriters against Lessor for injuries, death, losses or damages covered by those policies;

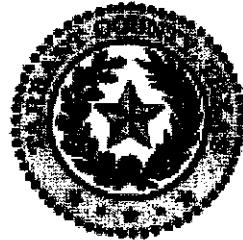
(4) Secure for Lessor the status of additional insured under the policy; and

(5) Be written by an insurance company rated A-VIII by A. M. Best.

(c) Operator shall furnish Lessor with Operator's certificates of insurance evidencing the above-described coverages prior to conducting any Operations under the Lease, which certificate(s) must show the names of all of Lessee's insurance companies, all policy numbers, effective and expiration dates of all insurance policies and all limits of liability. Thereafter, Operator shall provide its certificates of insurance at least sixty (60) days prior to the earlier of (1) the expiration of previously certificated insurance coverage or (2) the occurrence of any event for which prior notice is required by the terms of this Section. In lieu of providing its certificates of insurance, Operator may provide copies of applicable insurance policies. The certificates(s) of insurance must be modified to required sixty (60) days notice of cancellation to Lessor and to delete in the "Cancellation" provision the words "shall endeavor to" and the last clause beginning "but failure to do so...". Copies of the Waiver of Subrogation and additional insured endorsements showing Lessor must be attached to the certificate(s).

(d) To the extent that any of the insurance requirements of this Section are not evidenced by Operator's certificates of insurance, Operator represents and warrants that the requirements are nonetheless fulfilled by the applicable policies of insurance.

(e) The types and amounts of insurance required herein are intended to follow the requirements of City of Mansfield Ordinance No. 1480. If that ordinance is hereafter amended to require different types or amounts of insurance, Lessee will be deemed to be in compliance with this Article V as long as Lessee is in compliance with said ordinance.



RANGE RESOURCES  
100 THROCKMORTON ST, STE 1200

FT WORTH TX 76102

Submitter: RANGE RESOURCES

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

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By: \_\_\_\_\_



**D208324410**

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OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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